GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4878
ANSWERED ON:31.03.2017
Panama Papers
Senguttuvan Shri Balasubramaniam

Will the Minister of FINANCE be pleased to state:

(a) whether according to Panama Papers as many as 500 Indian celebrities, film stars and industrialists have reportedly stashed away unaccounted black money in the offshore acquisitions of Panama Oil company and if so, the details thereof;

(b) whether the Government has directed any probe to be conducted into the media reports relating to the offshore acquisitions of Indians in Panama;

(c) if so, the details thereof; and

(d) whether the Government has contacted the Panama Oil company to disclose the holdings of the Indians and if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI SANTOSH KUMAR GANGWAR)

(a) Information about certain offshore entities reportedly held by various Indian persons had appeared in media in April 2016 and thereafter. The information is attributed to be part of 'Panama Papers' leaks. The International Consortium of Investigative Journalists (ICIJ), a Washington based organization which has reportedly made the revelations pertaining to the Panama Papers, has put a caveat on its website (www.icij.org) by mentioning that it should not be assumed that everyone who appears in the Panama Papers is involved in tax avoidance or evasion and there are legitimate reasons to create a company in an offshore jurisdiction and many people declare them to their tax authorities when that is required.

In the context of India, the information, inter alia, indicates apparent linkage between certain Indian persons and various offshore entities in low-tax or no tax jurisdictions such as British Virgin Islands (BVI), Bahamas, Jersey, Seychelles, Mauritius, Panama, Hong Kong, UAE, Isle of Man, Singapore, etc. However, no instance is reported of investment by Indian resident persons in Panama Oil company.
(b) & (c) The Government has taken necessary measures for expeditious investigation in such cases including through enhanced international cooperation. On 4th April 2016, the Government constituted a Multi-Agency Group, inter alia, for facilitating co-ordinated and speedy investigation in the cases of Indian persons allegedly having undisclosed foreign assets and whose names appeared in Panama Papers leaks. The Group consists of the officers of Investigation Division of the Central Board of Direct Taxes (CBDT), Foreign Tax & Tax Research Division of CBDT, Enforcement Directorate (ED), Financial Intelligence Unit (FIU) and Reserve Bank of India, and its Convener is Member (Investigation), CBDT.

The Multi-Agency Group has so far submitted 6 reports to the Government. The Special Investigation Team on black money has been kept informed of the progress. Investigation is at different stages in specific cases. Further course of action including assessment of undisclosed income, levy of applicable penalties and prosecution in appropriate cases, depends upon outcome of the investigation in respective cases. Disclosure of information regarding specific taxpayers is prohibited except as provided under section 138 of the Income tax Act, 1961 and section 84 of the Black Money (Undisclosed Foreign Income and Assets) & Imposition of Tax Act,2015.

(d) Does not arise in view of reply to part (a)